

STATE OF OKLAHOMA

1st Session of the 47th Legislature (1999)

SENATE BILL NO. 771

By: Shurden

AS INTRODUCED

An Act relating to insurance; amending 47 O.S. 1991, Sections 7-321, as amended by Section 10, Chapter 181, O.S.L. 1994, 7-322, 7-324, as amended by Section 11, Chapter 181, O.S.L. 1994, 7-325, 7-326, as amended by Section 12, Chapter 181, O.S.L. 1994, 7-332 (47 O.S. Supp. 1998, Sections 7-321, 7-324 and 7-326), which relate to financial responsibility for motor vehicle accidents, certificates of insurance, contents and coverages of certain insurance policies, and proof of financial responsibility; clarifying language; requiring insurance for persons without regard to the vehicle operated and deleting provisions relating to requirements for insurance of vehicle; conforming language; clarifying definition; eliminating gender distinctions; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 47 O.S. 1991, Section 7-321, as amended by Section 10, Chapter 181, O.S.L. 1994 (47 O.S. Supp. 1998, Section 7-321), is amended to read as follows:

Section 7-321. Proof of financial responsibility required by this article may be furnished by filing with the Department the written certificate of any insurance carrier duly authorized to do business in this state certifying that there is in effect a motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility. ~~Such~~ The certificate shall give the effective date of ~~such~~ the motor vehicle liability policy, which date shall be the same as the effective date of the certificate, and shall designate by explicit description or by appropriate reference all ~~vehicles~~ persons covered thereby, ~~unless the policy is issued to a person who is not the owner of a motor~~

~~vehicle~~. The provisions of this section shall not be construed to apply to persons found to be in violation of Article VI of this chapter.

SECTION 2. AMENDATORY 47 O.S. 1991, Section 7-322, is amended to read as follows:

Section 7-322. A nonresident may give proof of financial responsibility by filing with the Department a written certificate or certificates of an insurance carrier authorized to transact business in the state in which the vehicle or vehicles owned by ~~such~~ the nonresident is or are registered, or in the state in which ~~such~~ the nonresident resides, if ~~he~~ the nonresident does not own a vehicle, ~~provided such~~ and if the certificate otherwise conforms with the provisions of this chapter, ~~and the~~. The Department shall accept the ~~same~~ certificate upon condition that ~~said~~ the insurance carrier complies with the following provisions with respect to the policies ~~so~~ certified:

1. ~~Said~~ The insurance carrier shall execute a power of attorney authorizing the Commissioner to accept service on its behalf of notice or process in any action arising out of a motor vehicle accident in this state; and

2. ~~Said~~ The insurance carrier shall agree in writing that ~~such~~ the policies shall be deemed to conform with the laws of this state relating to the terms of motor vehicle liability policies issued ~~therein~~ herein.

SECTION 3. AMENDATORY 47 O.S. 1991, Section 7-324, as amended by Section 11, Chapter 181, O.S.L. 1994 (47 O.S. Supp. 1998, Section 7-324), is amended to read as follows:

Section 7-324. ~~(a)~~ A. Certification. A "motor vehicle liability policy" as the term is used in this article shall mean ~~an~~ "owner's policy" or an "operator's policy" a policy of liability insurance, certified as provided in Section 7-321 or Section 7-322 of this title as proof of financial responsibility, and issued,

except as otherwise provided in Section 7-322 of this title, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.

~~(b) B. Owner's policy. Such owner's~~ The policy of liability insurance:

1. Shall designate ~~by explicit description or by appropriate reference all vehicles with respect~~ all persons to which coverage is thereby to be granted; and

2. Shall insure the person or persons named therein ~~and any other person except as herein provided, as insured, using any such vehicle or vehicles with the express or implied permission of such named insured,~~ against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of ~~such a~~ motor vehicle or vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, ~~with respect to each such vehicle,~~ as follows: Ten Thousand Dollars (\$10,000.00) because of bodily injury to or death of one person in any one accident and, subject to ~~said~~ that limit for one person, Twenty Thousand Dollars (\$20,000.00) because of bodily injury to or death of two or more persons in any one accident, and Ten Thousand Dollars (\$10,000.00) because of injury to or destruction of property of others in any one accident.

~~3. May by agreement in a separate written endorsement between any named insured and the insurer exclude as insured any person or persons designated by name from coverage under the policy.~~

~~(c) Operator's policy. Such operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth above with respect to an owner's policy of liability insurance.~~

~~(d)~~ C. Required statements in policies. ~~Such~~ A motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period, and the limits of liability, and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this chapter as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this title.

~~(e)~~ D. Policy need not insure ~~workmen's~~ workers' compensation. ~~Such~~ A motor vehicle liability policy need not insure any liability under any ~~workmen's~~ workers' compensation law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance, or repair of any ~~such~~ vehicle nor any liability for damage to property owned by, rented to, in charge of or transported by the insured.

~~(f)~~ E. Provisions incorporated in policy. Every motor vehicle liability policy shall be subject to the following provisions which need not be contained therein:

1. The liability of the insurance carrier with respect to the insurance required by this title shall become absolute whenever injury or damage covered by ~~said~~ the motor vehicle liability policy occurs; ~~said~~ the policy may not be canceled or annulled ~~as to such~~ nor liability disclaimed or avoided by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage; no statement made by the insured or on ~~his~~ the insured's behalf and no violation of ~~said~~ the terms of the policy shall defeat or void ~~said~~ the policy.

2. The satisfaction by the insured of a judgment for ~~such~~ injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of ~~such~~ the injury or damage.

3. The insurance carrier shall have the right to settle any claim covered by the policy, and if ~~such~~ the settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in paragraph 2 of subsection ~~(b)~~ B of this section.

4. The policy, the written application therefor, if any, and any rider or endorsement which does not conflict with the provisions of this title shall constitute the entire contract between the parties.

~~(g)~~ F. Excess or additional coverage. Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy and ~~such~~ any excess or additional coverage shall not be subject to the provisions of this title. With respect to a policy which grants ~~such~~ excess or additional coverage, the term "motor vehicle liability policy" shall apply only to that part of the coverage which is required by this section.

~~(h)~~ G. Reimbursement provision permitted. Any motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this title.

~~(i)~~ H. Proration of insurance permitted. Any motor vehicle liability policy may provide for the prorating of the insurance thereunder with other valid and collectible insurance.

~~(j)~~ I. Multiple policies. The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers which policies together meet ~~such~~ the requirements of this chapter.

~~(k)~~ J. Binders. Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirements for ~~such~~ a policy.

SECTION 4. AMENDATORY 47 O.S. 1991, Section 7-325, is amended to read as follows:

Section 7-325. When an insurance carrier has certified a motor vehicle liability policy under Section 7-321 or Section 7-322 of this title, a notice of cancellation or termination of the insurance ~~so~~ certified shall not be effective unless filed with the Department, within fifteen (15) days after ~~such~~ termination or cancellation except that ~~such~~ a policy subsequently procured and certified shall, on the effective date of its certification, terminate the insurance previously certified ~~with respect to any vehicle designated in both certificates.~~

SECTION 5. AMENDATORY 47 O.S. 1991, Section 7-326 as amended by Section 12, Chapter 181, O.S.L. 1994 (47 O.S. Supp. 1998, Section 7-326), is amended to read as follows:

Section 7-326. ~~(a)~~ A. This article and Article II of this chapter shall not be held to apply to or affect policies of ~~automobile~~ motor vehicle liability insurance against liability which may now or hereafter be required by any other law of this state, and such policies, if they contain an agreement or are endorsed to conform with the requirements of this article and Article II of this chapter, may be certified as proof of financial responsibility under this article and Article II of this chapter.

~~(b)~~ B. This article and Article II of this chapter shall not be held to apply to or affect policies insuring solely the insured named in the policy against liability resulting from the maintenance or use by persons in the insured's employ or on ~~his~~ the insured's behalf of vehicles not owned by the insured.

SECTION 6. AMENDATORY 47 O.S. 1991, Section 7-332, is amended to read as follows:

Section 7-332. The owner of a motor vehicle may give proof of financial responsibility on behalf of ~~his~~ an employee or a member of his or her immediate family or household in lieu of the furnishing of proof by ~~any said~~ that person. ~~The furnishing of such proof shall permit such person to operate only a motor vehicle covered by such proof.~~ The Department shall endorse appropriate restrictions on the face of the license held by ~~such~~ the person, or may issue a new license containing such restrictions.

SECTION 7. This act shall become effective November 1, 1999.

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